

FISCAL NOTE

Bill #: HB0424

Title: AG to establish phone solicitation no-call list

Primary Sponsor: Jent, L

Status: As Amended in Senate Committee

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$21,599	\$39,659
Revenue:		
State Special Revenue	\$30,000	\$60,000
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Justice

1. There is no fiscal impact.

Department of Administration

2. There will be no cost to the consumer.
3. Montana Interactive Incorporated (MII) will establish the database initially at no cost to the state. The Department of Administration will negotiate with MII for a portion of the telemarketer revenue collections to be used as reimbursement to MII for their implementation costs.
4. It is estimated that 100 telemarketers a year will purchase the no-call list at a cost of \$500 a year for revenue of \$50,000. The bill also allows a maximum \$5,000 civil penalty for each violation. With estimate of 10 claims a year, \$1,000 fine for each claim, an additional \$10,000 will be collected. The revenue totals \$60,000 (\$50,000 plus \$10,000) per year and will be deposited into the state special revenue account.
5. Enforcement will primarily involve civil cases and not criminal cases. The Consumer Affairs Office of the Department of Administration and local governments will do the investigations. If the federal legislation passes, it is assumed that the federal government will take the lead on enforcement of out-of-state telemarketers.

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6. Enforcement and associated costs will start in FY 2004. The Department of Administration estimates that 10 cases a year will need to be investigated by the Consumer Affairs Office. Estimated costs for investigations are \$2,505. (10 cases x 8.35 hours each = 83.50 hours x \$30/hour = \$2,505)
7. There will not be an Advisory Group for consumer protection from telemarketers.
8. FY 2004 will require 0.50 FTE, grade 12, at a cost of \$16,107 to coordinate the no-call legislation. The FTE will be hired 1/1/04. In FY 2005, 1.00 FTE is required at a cost of \$32,213.
9. Operating costs total \$4,632 in FY 2004 and \$5,726 in FY 2005. FY 2004 costs include \$3,021 for the new employee package of desk, chair, file cabinet and computer. An additional \$1,611 is included in FY 2004 for phones, supplies and travel. In FY 2005, \$3,221 is included for phones, supplies and travel. In addition, the \$2,505 from assumption #5 is included in FY 2005.
10. In FY 2004 an 800 phone line will be added. The costs for FY 2004 total \$860. The costs for FY 2005 total \$1,720.

FISCAL IMPACT:

Department of Administration

Administrative Financial Services Division-Program (03)

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
FTE	0.50	1.00
<u>Expenditures:</u>		
Personal Services	\$16,107	\$32,213
Operating Expenses	<u>5,492</u>	<u>7,446</u>
TOTAL	\$21,599	\$39,659
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$21,599	\$39,659
<u>Revenues:</u>		
State Special Revenue (02)	\$30,000	\$60,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$8,401	\$20,341

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DEDICATION OF REVENUE:

- a) Are there persons or entities that benefit from this dedicated revenue that do not pay?
(please explain)
NO
- b) What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?
None
- c) Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)
YES
- d) Does the need for this state special revenue provision still exist? X Yes No (Explain)
- e) Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)
NO
- f) Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)
YES
- g) How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)
NONE